

**VICTORIA CAPITAL MANAGEMENT, INC.**  
**FEBRUARY 2024**

**ITEM 1. INTRODUCTION**

Victoria Capital Management, Inc. (VCM) is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for retail investors to understand the difference.

Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

**ITEM 2. RELATIONSHIP AND SERVICES**

**What investment services and advice can you provide me?**

**Description of Services**

As an investment adviser, we provide investment advice to you for a fee, including investment advice with respect to investment advisory strategies. These strategies are provided directly or through approved investment advisers who choose our strategies for use with their clients. More information about our investment advisory services is available on our Form ADV Part 2A brochure, which is available on our website: [www.vcm.us.com](http://www.vcm.us.com).

Monitoring: We monitor retail investors' investments daily in a brokerage account with either our recommended custodian or an acceptable custodian that you request to participate in investment strategies that we manage as part of our standard service. The frequency and limitations of this account management depend on the investment strategy that you select and on your financial needs. We do not monitor any of your other accounts (besides your advisory account) as part of our advisory services.

Investment Authority: As part of our agreement, you grant us authority to buy and sell securities in your advisory account (consistent with your investment objectives and with restrictions you place on this authority that we agree to) without asking for your consent in advance (also known as discretion). The firm does not accept advisory accounts where the portfolio managers do not have full investment discretion.

Limited Investment Offerings: We limit our investment advice to a specific menu of securities to include bonds, common stocks, exchange-traded-funds, money market funds and mutual funds. We do not use any derivative securities or engage in any practices, such as shorting securities, that we view as additionally risky. We also do not provide investment advice with respect to proprietary investments.

Account Minimums and Other Requirements: Account minimums for advisory accounts vary, but generally start at \$100,000. Exceptions can be made depending on other business relationships. For investment Adviser firms that offer our services, the minimum account size is determined by the adviser.

Additional Information:

Please see the Form ADV, Part 2A brochure online at <https://adviserinfo.sec.gov/firm/summary/107665>.

**Conversation Starters:**

Given my financial situation, should I choose an investment advisory service? Why or why not?

When discussing the options of choosing a financial provider, you should consider the importance of hiring a fiduciary that must put your interests first. For firms that are not held to this standard, you should encourage additional firm disclosures regarding potential conflicts of interest that could affect your ability to reach your financial objectives.

How will you choose investments to recommend to me?

We choose investments for you based on a combination of your investment experience, time horizon for investing and tolerance for risk as ascertained from your responses to our Investor Profile Questionnaire. We utilize a straightforward approach employing individual stocks and low cost, indexed exchange-traded funds to meet your established investment objective. Once an initial portfolio is constructed, we provide ongoing active investment management to ensure you are on track to meet your goals. We will provide you with detailed periodic account reviews and written market commentaries more regularly. These writings will keep you up to date on our outlook for the financial markets that may influence our investment management

decisions. In addition to managing your portfolio, we will periodically contact you to determine if your investment objective remains the same and if your financial circumstances have changed that may warrant a shift in strategy. If there has been a significant change in your financial condition, we will re-structure your portfolio to meet your new investment objective.

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Diane V. Nugent (b. 1965), President/CEO  
European University, B.B.A. 1986  
Henley Management College, M.B.A in International Finance 1987  
Series 65 - Uniform Investment Adviser Law Examination  
Victoria Capital Management, Inc, Investment Adviser, President, 10/00 to Present  
Global Fund Advisers, Inc., Investment Adviser, Portfolio Manager, 11/95 to 04/99  
Wilshire Associates, Pension Consultant, Associate, 01/94 to 12/94  
Santa Barbara Bank & Trust, Portfolio Analyst, 05/91 to 01/94

Thomas E. Nugent (b.1942), Chief Investment Officer  
Seton Hall University, B.S. 1964  
Rutgers University, M.B.A. in Finance and Economics 1971  
Series 65 - Uniform Investment Adviser Law Examination  
PlanMember Financial Corporation, Retirement Planning, CIO, 08/94 to Present  
Victoria Capital Management, Inc., Investment Adviser, Chief Investment Officer, 12/00 to Present  
Laffer Associates, Economic Consulting, Executive VP, 01/81 to 04/84 and 02/00 to 02/01

Ryan L. Harper (b. 1979), Investment Associate  
The Ohio State University, B.S. 2015  
University of Cincinnati, M.S. in Finance 2016  
University of Cincinnati, M.B.A. in Investments and Securities 2017  
Series 65 - Uniform Investment Adviser Law Examination  
CIPM - Certificate in Investment Performance Measurement  
Victoria Capital Management, Inc., Investment Adviser, 07/17 to Present  
Citi Fund Services Ohio, Senior Analyst, 08/16 to 04/17  
University of Cincinnati Investment Office, Investment Analyst Intern, 01/16 to 05/16

### **ITEM 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

#### **What fees will I pay?**

##### Description of Principal Fees and Costs:

For investment advisory services, our fee is based on a percentage of the assets for which we provide investment advice for your account, typically referred to as an advisory fee. This fee, which is charged quarterly in arrears creates an incentive for us to increase the value of the assets in your advisory account, as the value of the assets increase the more you will pay us in advisory fees. However, by offering a fee based on the value of the portfolio, we are rewarded with a higher fee if your account increases in value.

##### Description of Other Fees and Costs:

For accounts holding individual securities, there are no additional fees charged to you or your account. For accounts holding exchange-traded funds, there is an investment fee (expense ratio) charged by the fund company. Since we have designed our target return program to invest in low cost- exchange traded funds, these fees are relatively low and generally range between 6 and 12 basis points of the portfolio value.

There are no other account fees such as start-up, administrative, termination, or broker commissions associated with your account. When a new client accepts our agreement and transfers assets into their brokerage account at their custodian, fees will be prorated from the time transactions take place in the account. Any large withdrawals of 10% of the account or more will also be subject to proration of the fees on that withdrawal. If you direct us to use another custodian, additional fees may be charged.

To the extent that a client requests to retain one or more securities in the account, there will be no fees charged on those securities.

**Additional Information:**

*You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.* If you have any questions about our fees, you can contact us directly or review our Form ADV, Part 2A brochure or Regulation BI. For accounts holding individual securities, there are no additional fees charged to you or your account.

**Conversation Starter:**

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

For example, if you give us \$10,000 to invest, the annual fee is 1% of that amount paid quarterly in arrears or a fee of \$25 per quarter or \$100 per year. This fee will fluctuate each quarter depending on the market value of your account at the end of each quarter. The fees charged by the fund companies that manage the exchange-traded funds will not be reflected in your statement but will be deducted from the market value of those funds.

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**Standard of Conduct:**

**When we act as your investment adviser**, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Since we are paid based on the assets in your advisory account, you will pay more in fees as asset values increase. This gives us an incentive to encourage you to increase the assets in your advisory account. However, the advantage of having a fee-based account is that we are rewarded when the value of your account increases since our fee is tied to that value. Conversely, an account that pays commissions instead of fees may be subject to increased account turnover (churning) to generate more commissions for the firm charging the commissions.

**Examples of Ways You Make Money and Conflicts of Interest:**

We only make money from investment advisory services. For retail investors clients we charge fees quarterly in arrears on the value of your account. Where we act as a subadvisor to institutional relationships, we are paid a portion of the investment advisory fees charged by the adviser. Where we act as a consultant to 401k plans, we receive a consulting fee. We have no known conflicts of interest in managing your advisory account.

**Conversation Starter:**

How might your conflicts of interest affect me, and how will you address them?

Since we have not identified any conflicts of interest that would affect you, this is not a viable subject for discussion.

**Additional Information:**

Please see the Form ADV, Part 2A brochure online at <https://adviserinfo.sec.gov/firm/summary/107665>.

**How do your financial professionals make money?**

**Description of How Financial Professionals Make Money:**

Our financial professionals are compensated by salary and profit sharing.

**Required Topics in the Description:**

The two founders of the firm, which is an S corporation, share in the profitability of the firm. Other professionals in the firm are paid a salary plus an incentive bonus based on the acquisition of accounts or other operational metrics. Marketing representatives receive a percentage of the fees paid by the client for as long as the firm manages that portfolio.

#### **ITEM 4. DISCIPLINARY HISTORY**

##### **Do you or your financial professionals have legal or disciplinary history?**

No. The firm does not have a legal or disciplinary history going back to inception in 2000. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

##### **Conversation Starter:**

As a financial professional, do you have any disciplinary history? For what type of conduct?

None of our financial professionals have a disciplinary history with any financial regulatory body.

#### **ITEM 5. ADDITIONAL INFORMATION**

Additional information about our investment Advisory services, please visit our website at [www.vcm.us.com](http://www.vcm.us.com). You can request a copy of this Form CRS Customer Relationship Summary by contacting us in writing at Victoria Capital Management, Inc., 211 King Street, Suite 106, Charleston, SC 29401.

You can also call us at 843-342-3044 to request up-to-date information and request a copy of this Form CRS Customer Relationship Summary.

##### **Conversation Starter:**

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

The initial contact at the firm is Ryan Harper. However, all financial professionals are available to discuss the firm's services.